



June 11, 2014

Item No. 8

AUTHORIZATION TO EXECUTE A PRELIMINARY COMMITMENT LETTER FOR PROPERTY RENTAL ASSISTANCE FOR BACK OF THE YARDS RESIDENCES & DANCE STUDIO

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners (Board) approve the attached Resolution authorizing the Chief Executive Officer (CEO) or his designee to execute a preliminary commitment letter for Property Rental Assistance (PRA) for Back of the Yards Residences & Dance Studio.

CORPORATE GOAL

The proposed preliminary commitment letter supports Plan Forward Goal #1: coordinating public and private investment to develop healthy, vibrant communities.

The purpose of this resolution is to execute a preliminary letter of commitment for a PRA Housing Assistance Payments Contract for eight units detailed below. This preliminary letter of commitment will be valid for one year in order to allow the developer to secure development and construction financing from other sources. Once all financing is secured, the full development plans will be submitted to CHA Board prior to execution of any contract.

FUNDING: Housing Choice Voucher Program (HCV)

PROPERTY SUMMARY

Development Name	Community / Ward / Alderman	Developer / Owner	Target Population	PRA Units	Total Units
Back of the Yards Residences & Dance Studio	Brighton Park/ 14 th Ward/ Ed Burke	UP Development, LLC & Back of the Yards Neighborhood Council	Working Families	8	30

CONTRACT SUMMARY

Development Name	Funding	Contract Term	Contract Type	Initial Estimated Contract	Total Estimated Contract	Application Received
Back of the Yards Residences & Dance Studio	HCV	15 Years	AHAP/ HAP Contract	\$87,920/year	\$1,520,500 (15 years)	March 2014

Proposed Development: Back of the Yard Residences & Dance Studio

- New construction of 6-story elevator building containing 30 units in the Brighton Park community area consisting of 9 one-bedroom, 10 two-bedroom and 11 three-bedroom units. Two one-bedroom, 3 two-bedroom and 3 three-bedroom units will be PRA for working families.
- Building amenities include a community room and kitchen, a secured entry, laundry facilities, on-site management and a dance studio on the first floor.

Developer Background

- UP Development, LLC established in 2007, has built a team with over 25 years of combined experience in developing and managing affordable housing. They currently own and operate 484 units in Chicago and the state of Illinois with an additional 133 units under construction.
- Back of the Yards Neighborhood Council (BYNC) was founded in 1939 and is one of the oldest community organizations in the country. BYNC currently operates 4 retail and industrial Special Service Areas (SSA), a community newspaper, and a range of services for seniors. BYNC's after school program serves over 300 children and youth which offers tutoring, computer classes and Mexican Ballet Folkloric dance.
- The property will be managed by Hallmark & Johnson.

Waiting List /Occupancy Process

It is the intent of the owner/manager of Back of the Yards Residences & Dance Studio to lease all of the PRA assisted units to eligible working families from CHA's waiting lists. CHA will refer working families from the Public Housing and PRA waiting lists as well as families whose right of return under the Relocation Rights Contract has not been satisfied. The CHA waiting lists will be exhausted prior to utilization of a site-based waiting list.

Conclusion

The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority Board policies and all applicable federal procurement laws.

The Chief Housing Officer concurs with the recommendation to execute for a preliminary commitment letter for Property Rental Assistance for Back of the Yards Residences & Dance Studio.

The Chief Executive Officer/President recommends the approval to execute for a preliminary commitment letter for Property Rental Assistance for Back of the Yards Residences & Dance Studio.

RESOLUTION No. 2014-CHA-63

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board letter dated June 11, 2014 requesting authorization to execute a preliminary commitment letter for Property Rental Assistance for Back of the Yards Residences & Dance Studio;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY:

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to execute a preliminary commitment letter for Property Rental Assistance for Back of the Yards Residences & Dance Studio.

